

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2959 - SB 3318

March 14, 2012

SUMMARY OF BILL: Authorizes any incorporated city to charge a hotel occupancy privilege tax in an amount of up to 5 percent of the total charge by an operator for a hotel room within such city's jurisdiction. This authorization does not apply to any county with a metropolitan form of government that contains or borders a county containing an airport designated as a regular commercial service airport in the International Civil Aviation Organization regional navigation plan, and contains a government-owned convention center of at least 50,000 square feet with an attached, adjoining, or adjacent hotel or motel facility.

ESTIMATED FISCAL IMPACT:

Increase Local Revenue – Exceeds \$100,000/Permissive

Assumptions:

- Under current law, the hotel occupancy privilege tax may only be levied in an incorporated city that has adopted home rule in accordance with Article XI, Section 9 of the Tennessee Constitution.
- This bill will effectively expand the number of municipalities that can levy the hotel occupancy privilege tax, except for Davidson County and those cities located within.
- It is unknown how many additional municipalities will adopt the hotel occupancy privilege tax, but it is reasonably estimated that any tax levied will result in a permissive increase in local revenue exceeding \$100,000 per year statewide.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise".

Lucian D. Geise, Executive Director

/jdb

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